

U.S. House and Senate Notification
Sunday, September 19, 2010

To: Congressional Health Staff

From: Amy Hall
Director, Office of Legislation
Centers for Medicare & Medicaid Services

Subject: CMS Issues Proposed Rule on Provider and Supplier Screening Requirements, Temporary Enrollment Moratoria, Payment Suspensions, and Other Program Integrity Provisions Under the Affordable Care Act

The Centers for Medicare & Medicaid Services (CMS) issued a proposed rule to implement provisions of the Affordable Care Act that establish procedures for screening providers and suppliers in Medicare, Medicaid, and CHIP; application fees on institutional providers; temporary enrollment moratoria in Medicare, Medicaid and CHIP to prevent or combat fraud, waste or abuse; requirements for States regarding termination of providers from Medicaid and CHIP if terminated by Medicare or another Medicaid state plan or CHIP; State plan requirements for program-integrity related enrollment provisions; and requirements for payment suspension pending credible allegations of fraud. The proposed rule also presents an approach and solicits comments on the core elements that should make up a compliance plan for providers and suppliers.

Under the proposed regulations, both newly enrolling and revalidating providers and suppliers will be subject to screening measures according to the level of risk they pose to the Medicare, Medicaid, and CHIP. Such screening measures may include licensure checks, database checks, unscheduled or unannounced site visits, and criminal background checks and fingerprinting for the highest risk providers and suppliers. Institutional providers will be required to pay a \$500 application fee (in CY 2010 and adjusted by a statutory formula each year thereafter) when screenings begin for newly enrolling providers on March 23, 2011. The proposed rule also establishes the criteria CMS will use to issue a temporary 6-month moratorium on enrollment by provider or supplier type, or in areas, where necessary to prevent or combat fraud, waste and abuse. In addition, the rule sets forth how CMS will suspend payments, in consultation with OIG, when there is a pending investigation of a credible allegation of fraud. State agencies are required to comply with Medicare's screening, application fees, and moratoria requirements as they apply to Medicaid and CHIP providers, and must suspend payments to providers when there is a pending investigation of a credible allegation of fraud.

Comments received within 60-days of publication will be considered by CMS and addressed in the final rule.

The proposed rule is on display at the Federal Register at:
<http://www.ofr.gov/inspection.aspx>.

If you have questions about this notification, please contact the CMS Office of Legislation.
Thank you.